

**MINUTES OF THE REGULAR MEETING OF THE  
WASHINGTON STATE TRANSPORTATION COMMISSION  
August 14, 2002**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on August 14, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present were: Aubrey Davis, Ed Barnes, Elmira Forner, George Kargianis, A. Michèle Maher, Chris Marr and Connie Niva.

**2003-05 WSDOT BUDGET AND CAPITAL IMPROVEMENT & PRESERVATION PROGRAM**

Richard Ybarra, Assistant Secretary, Finance and Administration, addressed the 2003-05 current law and new law operating and capital budget proposals, and the proposed 10-year financial plan. The budget document reflects the Commission's guidance in developing a comprehensive plan to meet the state's transportation needs given current fiscal restraints. Mr. Ybarra stated that the changes to the budget draft from July's draft would be reviewed and that questions would be answered. He stated that the goal is to move forward with adoption of a resolution to finalize the first step in the 2003-05 biennium budget process, and prepare the budget for submittal to the Office of Financial Management on September 6.

Bill Ford, Budget Chief, provided an overview of significant changes to the proposed budget, and stated that the draft budget proposal was reviewed by the Commission in July and has been refined since then. Mr. Ford stated that the budget document communicates the Department's activities and is linked to performance measures. It consists of two major components: an operating budget and a capital budget. The current law budget would be funded with existing resources. The new law budget would be contingent on passage of Referendum 51 and would provide funds for additional investment in transportation systems. The budget addresses four key initiatives: highway construction, traffic operations including incident response, information technology strategies and risk management. Mr. Ford commented that the Legislative Evaluation and Accountability Program Committee approved the program structure changes on August 8 that had previously been reviewed by the Commission. Mr. Ford addressed specific changes to the draft budget that the Commission had requested in July. Commissioner Marr had requested that a pie chart be provided to show Referendum 51 funding by mode. Commissioner Kargianis had requested that Highway Improvement and Preservation Programs be shown in a pie chart as well. Both of these charts are now included in the 2003-05 Budget proposal. Commissioner Davis pointed out that the budget states budget policies that drive the numbers. Mr. Ford explained that 77 percent of the WSF operations program budget would be spent on ferry operations, 18 percent on maintenance, and 5 percent to cover administrative costs. Commissioner Forner commented that 30 percent of the transportation budget is going to highway maintenance and 34 percent of the budget is going to WSF operations and maintenance. She stated that the public needs to be educated about the cost of maintaining old ferries, as it is not cost

effective. Additional capital improvement funds should be acquired in order to replace the ferries as opposed to investing dollars in repair and maintenance. She stated that funds should be spent to achieve the best results for taxpayers. Mr. Ford addressed Commissioner Maher's request that the percentage of risk management be provided as it relates to the entire budget. Risk management costs consume approximately 2 percent of the budget. Commissioner Maher inquired about the status of the pilot project on privatizing rest areas. John Conrad, Assistant Secretary, Engineering and Regional Operations, commented that there was a study performed several years ago regarding private opportunities in rest areas. Commissioner Maher asked if the pilot program would need to wait for legislative action in order to privatize rest areas. Mr. Conrad responded that it would require federal and state legislative action.

Rick Smith, Director, Planning and Capital Program Management, briefed the Commission regarding the proposed Capital Improvement and Preservation Program. He stated that capital improvement provides funding for projects that increase a highway's capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and reduce environmental impact. Mr. Smith stated that preservation funding is to preserve the structural integrity of the state highway system. He pointed out that the level of preservation funding proposed does not provide for "catch up" of the paving backlog. Commissioner Kargianis questioned how the Department deals with seismic risk. Mr. Smith responded that facilities most at risk are addressed first with a few major high cost exceptions. Mr. Smith stated that the proposed level of funding for the seismic retrofit under the current budget would take five years longer to complete than the Commission's original plan. Mr. Conrad explained that critical projects have been addressed, but major bridge replacements depend on funding. Commissioner Niva commented that safety issues should be the number one consideration, but there are constraints to addressing the balance between mobility and safety. Mr. Smith reviewed past decisions with regard to program size. He stated that the carry-over of past due projects are included in the Capital Improvement Preservation Program (CIPP). The deferred 176 miles that are due to be paved adds to the backlog of the preservation program. It is forecasted that the cost goes up by 26 percent per year if past due miles are not repaired. Commissioner Barnes inquired about the condition of bridges and if it is being reported to the public. Mr. Conrad stated that it is reported in the Gray Notebook. Commissioner Barnes suggested that bridge conditions be published on the Department's website. Mr. Smith stated that the CIPP, Project and Summary Detail can be viewed on WSDOT's website and can be sorted to seek specific information. The CIPP includes results from the Cost Estimation Validation Process (CEVP). The budget will provide single numbers in the CIPP, but will narratively point out the range of cost for each project with the different levels of risk. Mr. Conrad pointed out an example of the impact of outside variables; Whitman County has rezoned farmland to industrial status along SR 270, which has resulted in right-of-way cost increases by over \$3 million for that project. He stated that rezoning has historically been a problem and projects being put on hold drive up costs over time. Mr. Conrad shared information about market conditions that can be expected in construction during the coming decade. He stated that the Department plans to break up phases of projects into smaller contracts to increase competition, and is looking at different work methods so that projects are smaller to increase the number of contractors who

can compete for work. Amy Arnis, Manager, Financial Planning Office, explained that the Department is proposing to fund the increase in cost of the Hood Canal Bridge project by selling bonds. The bond sales would increase funds by more than \$58 million. FHWA has agreed to be billed to cover 80 percent of the cost increase.

Dave Dye, Urban Corridors Administrator, discussed mega projects in the Puget Sound area that would be partially funded by Referendum 51 revenues. He stated that should the funds become available, they would be applied to the areas that have the greatest need. Mr. Dye stated that every month a project is delayed there is a \$2 million per month cost increase per \$1 billion cost in the project as a result of inflation. Mr. Dye stated that the bottom line is that time is money and building the projects is more efficient for state government than delaying them. The projects are instrumental in the preservation of the environment, and growth plans of the Puget Sound area. He pointed out the funds set aside for mega projects in the Referendum 51 related budget proposal: \$450 million for the Alaskan Way Viaduct project, \$100 million for the SR-520 TransLake Washington project, \$1.775 billion to complete the I-405 corridor, \$500 million for the SR-509 corridor, and \$8 million for a corridor analysis of the SR-167 Valley freeway corridor project. This funding would keep the projects moving. Mr. Smith presented other projects proposed to be funded by Referendum 51 revenues: US12/SR-124 to SR-730, I-90 Snoqualmie Pass east, US 395/North Spokane corridor, I-5/Everett-SR-526 to US 2 HOV lanes, SR-543/Blaine, I-5/SR-16 Tacoma/Pierce County HOV, and SR-270/Pullman to Idaho State Line.

Mr. Smith then stated that Amy Arnis and John Conrad would present information regarding what the world would look like without new revenue. Ms. Arnis described the sources of revenue and the allocation of that revenue for 2001-2003 and 2003-2005. Mr. Conrad described the ten-year outlook for the highway program without new revenues. He pointed out that the agency would not make meaningful progress in addressing congestion, would build fewer safety projects, would progress more slowly on bridge seismic work and would have to make tradeoffs between the preservation program and the improvement program. There would also be no room for growth in the operating programs. He pointed out that pavement conditions would get progressively worse, increasing the eventual cost of repair. The seismic retrofit program would take an additional five years to complete. Mr. Conrad stated that according to an OFM study, 7,000 jobs would be added as a result of Referendum 51. Commissioner Davis asked whether an estimate had been made regarding the reduction in construction and consulting contracts under current law revenue. Mr. Smith responded that an estimate had not been made, but that approximately 16 jobs are created for every \$1 million in the construction budget. Commissioner Davis pointed out that in addition to the loss of potential jobs if Referendum 51 does not pass, there will be an actual decrease in current employment. Secretary MacDonald commented that the Department must be clear with the public about what is in the future, and today's presentation makes it clear that it is less than what the public expects. He stated that regardless of the size of the Department's budget, it must deliver on its accountability message to the public.

Commissioner Davis took note of a letter that the Commission received from the Agency Council on Coordinated Transportation (ACCT) petitioning the Commission to

maintain the current ACCT funding level in the 2003-05 biennium. Jim Slakey, Director, Public Transportation and Rail, explained that the budget needs facing ACCT have to be addressed in the context of trying to balance rural mobility, rail and special transportation needs.

***It was moved by Commissioner Niva and seconded by Commissioner Kargianis that the 2003-2005 proposed Current Law Budget and Referendum 51 Revenue Budget be adopted. The motion was approved unanimously.***

Secretary MacDonald stated that the budget document is large and difficult to post electronically on WSDOT's website, and that staff is currently working on having it available to the public.

***It was moved by Commissioner Davis and seconded by Commissioner Niva to adopt the 2003-2005 Capital Improvement and Preservation Program. The motion was approved unanimously.***

## **POTENTIAL TEA21 REAUTHORIZATION**

Larry Ehl, Federal Liaison, distributed U.S. Senate Committee draft of proposed FFY 2003 Federal Discretionary Earmarks. He stated that Senator Murray's office received over \$1 billion in requests from the state of Washington, which made it difficult to prioritize where the funds would be distributed. The Department asked for \$202 million and the entire state received \$205 million. Mr. Ehl commented that the federal government budget would not be complete until after the summer recess. Commissioner Davis commented that earmarks are a focus of attention, but that the regular federal program funds for Washington amount to \$400 million to \$500 million in regular appropriations per year. Mr. Ehl stated that the Governor's Coordinating Committee's TEA21 final report of reauthorization policy recommendations was reviewed in May by the Commission. Mr. Ehl subsequently went to Washington DC and distributed the report which was well received, helped to educate staff and promoted discussion of the issues. He stated that Congress has held a few hearings on TEA21 issues and will schedule future hearings. The November elections will determine the composition of the House and Senate and therefore influence the shape of the TEA21 reauthorization bill. Congress will be reviewing Amtrak and Aviation. Mr. Ehl stated that all of these programs would go through the same committees. The initial reauthorization legislation will probably be put together in January 2003.

## **COMMISSIONER REPORTS**

Commissioner Kargianis described the I-405 project option B draft plan that would result in improvements to the corridor.

Commissioner Barnes reported that he had attended the Washington State Ferry Executive Committee meeting. He stated that the Chairman of the committee would like to come and talk with the Commission occasionally. Commissioner Barnes stated that the

Corp of Army Engineers is holding final channel deepening meetings for the Columbia River dredging. He stated that the American Rivers people do not feel that dredging is worth the value of what is going to be spent. Commissioner Barnes stated that construction project SR 500 is progressing well, and SR 14/192<sup>nd</sup> project is ahead of schedule.

Commissioner Maher stated that she had testified on freight mobility before the Senate Transportation Committee in Wenatchee. Commissioner Maher stated that there was Departmental and public representation there and that the discussion went very well. Commissioner Maher participated in an educational forum on Referendum 51 in Walla Walla. She stated that few from the public attended the forum, mostly stakeholders and local officials.

Commissioner Forner stated that she met with Paula Hammond and Senator Parlette to discuss transportation and local issues. Commissioner Forner stated that she gave the "Overwhelmed Transportation System" presentation to the North Central RTPO. She commented that the Greater Wenatchee MPO has passed bylaws and is getting organized. Commissioner Forner commented that she is an ex-officio member of the MPO. She stated that she had attended a ceremony at Pangborn Airport with Senator Patty Murray. Commissioner Forner reported that Senator Murray stated empathically that Pangborn would be in the federal aviation budget. Commissioner Forner attended the Aviation Division's open house in Arlington. She commented about her commitment to attend the Ferry Advisory Committee meetings, stating that she had recently attended two meetings, and that it was greatly appreciated by the Committee.

Commissioner Davis stated that TransLake is drawing to a conclusion and that the final recommendation decision requires a two-thirds vote. Commissioner Davis stated that the federal grant was approved for the PSRC pilot project on transportation pricing. He stated that a work plan is being developed and that there would be a meeting next week to begin work on the project.

#### **OFFICE OF FINANCIAL MANAGEMENT LUNCH**

In attendance for the luncheon were Commissioners and staff from the Office of Financial Management. The participants discussed the Commission's proposed WSDOT budget for 2003-2005.

#### **APPROVAL OF MINUTES**

*It was moved by Commissioner Barnes and seconded by Commissioner Niva, to approve the minutes of the June 28, 2002 and July 16 & 17, 2002 Commission meetings. The motion was approved unanimously with a correction to the June 28, 2002, minutes as requested by Commissioner Davis.*

## **TRANSPORTATION COMMISSION ADMINISTRATOR REPORT**

Chris Rose, Transportation Commission Administrator, distributed the 2003 WSTC Regular Commission meeting dates. He also provided a proposal of local meeting locations for 2003-2004. Mr. Rose requested that the Commissioners review the locations and make a decision on the preferred locations. Commissioner Niva commented that there should be a local meeting in Olympia for Thurston County. Even though the Commission meets in Olympia monthly it does not discuss issues specific to Thurston County. Commissioner Kargianis agreed that Thurston County should be included in local meetings. Commissioner Davis suggested that action on this matter be taken at the September meeting. Mr. Rose announced that the budget meeting scheduled for August 28 would be cancelled as a result of the Commission's approval of the budget.

## **PUBLIC AND LEGISLATOR COMMENT PERIOD**

There were no public or legislators in attendance that testified.

## **OFFICE OF THE SECRETARY REPORT**

Dan Mathis, District Administrator, Federal Highway Administration, introduced Sandy Turner, WSDOT, Ellison Brooks, State Historic Preservation Officer, and Dave Leehow, Federal Highway Administration. He presented them with Certificates of Achievement and Partnership in Excellence awards for their contributions to the Section 106 Programmatic Agreement Program. Mr. Mathis stated that three years ago these individuals worked together on historic and cultural resources. They recognized that there are 17 types of projects that do not typically affect historic properties, and can be exempted from the consultation regarding Section 106. The impact was immediately successful; in the first six months 50 percent of WSDOT and local agency projects were exempted from Section 106 consultation. Within a year and a half, the number rose to 57 percent. He commented that the Section 106 Programmatic Agreement is one of the first environmental streamlining efforts to be fully implemented by WSDOT, and has significantly reduced the time to process projects. Mr. Mathis stated that it has allowed WSDOT, the State Preservation Officer and Federal Highway Resource Officer to focus on projects that may affect historic and cultural resources. Secretary MacDonald extended his appreciation to those involved. He commented that he is grateful and wants the program to continue to add new successes to the ones already achieved.

Secretary MacDonald commented on the memorandum from Mike Thorne, Chief Executive Officer, Washington State Ferries, which assessed the systems financial situation. He stated that if cost increases grow at the same rate, the growing revenue needs of the ferry system would not be met. Secretary MacDonald noted that Mr. Thorne would be developing information and strategies to address the situation and reviewing it with the Department, Legislature, public and bargaining representatives before a proposal is presented to the Commission in September.

Secretary MacDonald commented on the cost issues surrounding the Alaskan Way Viaduct. A recent press release headline read "WSDOT proposes to spend \$11 billion to replace 2.2 mile Viaduct". He stated that this was not an accurate statement and that the headline made it difficult to get discussion about the project back on track. Secretary MacDonald commented on different scenarios regarding how the Department could present the vision for the Alaskan Way Viaduct without it being misconstrued to the public. He stated that the Department is struggling with this issue, as well as the media. The immediate issue is that there is not public support or recognition regarding how quickly the Department must move forward on the Viaduct program despite the demonstrated urgency. He stated that the Regional Transportation Investment District is looking at ways to put together a proposal to fund the regional projects.

Secretary MacDonald noted that Ken Schram, a commentator for KOMO, gave two commentaries in July regarding Sound Transit. Mr. Schram stated that the best approach to rapid transit along the I-5 corridor is a freeway monorail. This has brought about numerous public opinion emails to the Department and the Governor supporting Mr. Schram's position. Secretary MacDonald stated that the Department would respond to this issue.

Secretary MacDonald spoke about Jake Baardson, an employee of the Washington State Department of Transportation for 24 years. Jake died on August 12, 2002 at work as the result of being struck by a passing motorist. Jake is survived by his mother and two grown daughters. He was an avid gardener and was passionately devoted to his dog. Jake was always willing to go the extra mile, and was admired and respected by his co-workers. Secretary MacDonald expressed his deepest sympathy for the loss of Jake to the Baardson family and the WSDOT family. Secretary MacDonald commented about the "Give Em A Break" Program, work zone safety and precautions that are taken to prevent accidents. He stated that this tragic accident gives life to the continuing efforts to make the highway work zone a safer place through training, technology, law enforcement and public education.

***It was moved by Commissioner Kargianis and seconded by Commissioner Barnes to approve Resolution No. 638, dedicated to the memory of Wayne "Jake" Baardson. The motion was approved unanimously***

**PRESENTATION OF THE GRAY NOTEBOOK FOR THE QUARTER ENDING JUNE 30, 2002**

Daniela Bremmer, Director of Strategic Assessment, presented the second quarter performance report for the Department.

John Conrad, Assistant Secretary, Engineering and Regional Operations, spoke about current delivery of the Highway Construction Program. He stated that for the biennium to date the Department has advertised 218 improvement and preservation projects against the planned 251 projects. The Department is meeting the planned advertisement date on over 90 percent of the projects that advertised for bids. He stated that the Highway Construction

Program's cash flow is on target. Mr. Conrad stated that delivery is still moving at the same pace, but being monitored closely. There is little leeway for surprises in the form of major changes. He stated that the Department is comparing monthly cash expenditures and updated cash forecasts to the plan. Approximately 40 projects account for more than half of the remaining amount to be expended. Mr. Conrad stated that the individual contracts awarded were on the average 7.5 percent below the engineer's estimates, and of all contracts 72.9 percent were awarded below the engineer's estimate. By dollar value, 71 percent of the total contract value was awarded at or below the engineer's estimate. Mr. Conrad stated the final cost of contracts did not exceed 10 percent more than the contract award value for 66 percent of the total value of all contracts awarded. Commissioner Forner asked about the risk factor in projects that create increases in the cost of projects. Mr. Conrad indicated that the Department is considering the issue of requiring warranties for selected projects.

John Doyle, Director, Freight Strategy and Policy Office, provided an overview of Trucks, Goods and Freight tracking measures. He stated that the Department is collaborating with the Freight Mobility Strategic Investment Board (FMSIB) and the Puget Sound Freight Mobility Roundtable to develop freight mobility measures. Mr. Doyle stated that it is a difficult process to develop freight mobility data, and that the state of Washington as well as other states had not collected freight mobility data. He presented statistics regarding the number of trucks registered and permits issued in Washington State as initial measures of trucking activity. These statistics showed that the proportion of trucks compared to other vehicles on the road has remained essentially unchanged in Washington in recent years. Mr. Doyle stated that the overall upward trend of trucking activity over the last 20 years is as a result of trucks having prorated registrations that allow them to travel in multiple states. Part of this upward trend may also be attributed to the number of trucks registered, larger and heavier trucks, and the number of truck miles traveled. Mr. Doyle stated that the number one concern of the trucking community is highway congestion and just-in-time delivery business practices. He commented that more important than ever truckers want quick and reliable trip times on major freight routes and the U.S./Canada border crossing. He stated that the Department, FMSIB and the Freight Mobility Roundtable are currently developing port-to-border, border crossing and point-to-point performance measures. Mr. Doyle provided examples of structural impediments to trucks such as: bridges with posted weight restrictions below legal load limits, restricted bridges and vertical clearance on bridges. There are 130 restricted bridges on the state system, bridges that can only support legal loads and overweight permits are not issued. He commented that to facilitate the movement of over dimensional vehicles the Department issues permits with travel times and specific routes in order to improve traveler safety.

Theresa Smith, Aviation Planning Manager, provided an overview of the Aviation Division. She stated that the program covers pilot registration, aircraft registration and sponsors 16 state airports. Ms. Smith stated that there are 129 airports in the state, and that 13 provide commercial service. She stated that the focus of the Division is to find additional revenue to support maintenance. She commented that pilots and aircraft in Washington State are required to register with the Department, and that the program has started a process to improve outreach in order to get more pilots and aircraft registered. Ms. Smith stated that



the Department sets up base command centers for search and rescue, coordinates with rescue pilots and works with the military to pinpoint lost aircraft.

Toby Rickman, State Traffic Engineer, discussed how the Department can measure traffic congestion, distinct from incidents, by using an analytical approach provided by the University of Washington's Transportation Center (TRAC). Mr. Rickman stated that using this experimental approach allows the Department to analyze archived data from 2001 regarding peak and off-peak traffic from its loop detector system for selected routes and has derived travel times with and without incident. He stated that the objective is to inform the public of peak and off-peak times in order to lower congestion at peak incident or congestion times. Mr. Rickman stated that in 2002 the Department and the Washington State Patrol signed a Joint Operations Policy. This policy allows the two agencies to work together to assist Incident Response in being able to respond quickly. He stated that the two agencies are assessing their performance against a new joint goal of clearing all incidents within 90 minutes.

Ken Smith, Assistant State Design Engineer, provided performance measures for the Department's Value Engineering Program. He stated that Value Engineering (VE) is used during a project's design phase. VE utilizes a team that includes Department specialists, city and county engineers, consultants and regulatory agencies, as well as others to make the best use of out-of-the-box thinking. Mr. Smith stated that all ideas endure rigorous technical feasibility and cost review before being incorporated into plans and specifications.

Daniela Bremmer, Director of Strategic Assessment, stated that there is management focus on worker safety and related preventable injuries. She stated that highway maintenance workers injury rate has declined to slightly above the benchmark for 2002. She stated that highway engineer worker injuries increased slightly above the benchmark for 2002. Ms. Bremmer spoke about employee safety and reported that 90 percent of employees are targeted for safety training. Commissioner Davis asked what had contributed to the changes in the injury rates. Dave Acree, Manager, Staff Development, responded that the regional maintenance trainers are contributing to the reduction of work related injuries. Mr. Acree stated that there are multiple courses provided to employees.

Ms. Bremmer addressed Commute Trip Reduction and the Department's national ranking. She stated that since 1998 the number of vanpools on the road in Washington is up 8.3 percent.

Ms. Bremmer spoke about the ferry systems on-time performance. Ms. Bremmer stated that complaints were down 8 percent from the previous quarter. She commented that the FY 2002 summary shows an overall increase in public complaints about on-time performance.

Ms. Bremmer stated that Amtrak ridership gain was the result of competitive fares, ongoing promotions and a growing public awareness. She commented that one possible explanation for Amtrak's recent ridership dip is due to news stories about its difficult financial condition.

#### **CENTRAL PUGET SOUND FREEWAY HOV LANES VARIABLE HOURS OF OPERATION EVALUATION**

Charlie Howard, Director, Northwest Washington Division, Planning and Policy Office, reviewed the findings developed and reported to this point. He stated that the final two chapters of data would be distributed to the Commissioners near the end of August. He proposed that the preliminary change options be:

- \_ Open HOV lanes at night (8:00 p.m. to 5:00 a.m.).
- \_ Open HOV lanes midday (9:00 a.m. to 2:00 p.m.).
- \_ Open HOV lanes weekends.
- \_ Open HOV lanes when general purpose lanes are not congested (this would be corridor specific HOV operating hours based on facility performance).

Mr. Howard indicated that the evaluation of the options would center on impacts on the travel time advantage of HOV lanes, impact on traveler safety, preservation of speed and reliability of transit operations, preservation of speed and reliability of vanpool operations, impact on air quality, cost of the options, ability of drivers to adjust their expectations, enforcement feasibility, and impact on emergency services vehicles.

Mr. Howard indicated that the Commission could call for an agenda item in September if it had questions regarding the final two chapters of data; otherwise, the Commission will be asked to make a final decision on November 20th, after all of the public and stakeholder comments regarding the data and options have been received.

The Commission meeting adjourned at 5:00 p.m. on August 14, 2002.